

House Bill 324

By: Representatives Manning of the 32<sup>nd</sup>, Gardner of the 57<sup>th</sup>, Butler of the 18<sup>th</sup>, Stephens of the 164<sup>th</sup>, Teilhet of the 40<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 5 of Title 49 of the Official Code of Georgia Annotated, relating to  
2 programs and protection for children and youth, so as to enact "The Children's Health  
3 Insurance Act"; to repeal the "PeachCare for Kids Act"; to provide for a short title; to provide  
4 for definitions; to provide for the creation of the PeachCare for All Kids health care  
5 insurance plan; to provide for eligibility, health care services, and payment of premiums and  
6 copayments; to provide for accessing federal matching funds; to provide for health care  
7 provider enrollment; to provide for rules and regulations; to provide for construction; to  
8 provide for a study of adequacy of provider payments; to provide for an annual report; to  
9 provide for related matters; to provide for an effective date; to repeal conflicting laws; and  
10 for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 **SECTION 1.**

13 Chapter 5 of Title 49 of the Official Code of Georgia Annotated, relating to programs and  
14 protection for children and youth, is amended by striking Article 13, relating to PeachCare  
15 for Kids, in its entirety and inserting in lieu thereof a new article to read as follows:

16 "ARTICLE 13

17 49-5-270.

18 This article shall be known and may be cited as 'The Children's Health Insurance Act.'

19 49-5-271.

20 The General Assembly finds and declares:

21 (1) All children need quality, timely health care in order to achieve maximum physical  
22 and mental health, to benefit fully from their educational opportunities, and to mature into  
23 the productive citizens tomorrow's Georgia needs;

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1 (2) It is the right of every Georgia child to have such health care;

2 (3) Lack of health insurance is associated with low utilization of appropriate health  
3 services, poorer health, poorer school achievement, and lower lifetime earnings;

4 (4) At least 300,000 Georgia children are uninsured, and many others have unstable or  
5 inadequate insurance;

6 (5) While the United States spends more per person on health care than any other  
7 country, a far higher proportion of our citizens are uninsured than in any other  
8 economically developed country; we receive fewer doctor visits than citizens of the  
9 nations that are our economic competitors, and we have poorer health outcomes and life  
10 expectancy. That health coverage is ensured by the public sector in other major nations  
11 but not in the United States puts Georgia businesses at a competitive disadvantage in the  
12 emerging global economy;

13 (6) Employment based insurance has declined in Georgia and in the rest of the United  
14 States as the burden of uncontrolled and unpredictable health spending has led many  
15 businesses to end or reduce coverage and others to close their doors or move offshore.  
16 Many people in Georgia who desire to pursue business opportunities are constrained by  
17 the need to remain in particular employment to retain health coverage;

18 (7) The current Medicaid and PeachCare for Kids programs are tools the state can use  
19 creatively to assure access to health care for all children and to improve the state's  
20 economy. Establishment of the PeachCare for All Kids program pursuant to this article  
21 leverages state buying power while utilizing heretofore untapped federal funds available  
22 to the state; and

23 (8) Establishing PeachCare for All Kids in Georgia is in the public interest by removing  
24 a persistent worry for families and serving as a major benefit for all Georgia businesses  
25 as well as an incentive for others that may consider relocating to this state.

26 49-5-272.

27 As used in this article, the term:

28 (1) 'Department' means the Department of Community Health.

29 (2) 'PeachCare for All Kids' means the health care insurance plan created by Code  
30 Section 49-5-273 and shall include PeachCare for All Kids A, PeachCare for All Kids B,  
31 and PeachCare for All Kids C.

32 (3) 'PeachCare for All Kids A' means the PeachCare for All Kids health care insurance  
33 buy-in program created by subsection (c) of Code Section 49-5-273 for children ineligible  
34 for PeachCare for All Kids B or PeachCare for All Kids C.

35 (4) 'PeachCare for All Kids B' means the PeachCare for All Kids health care insurance  
36 plan created by subsection (d) of Code Section 49-5-273 for children in families

ineligible for PeachCare for All Kids A due to income, but with incomes below 400 percent of the federal poverty level.

(5) 'PeachCare for All Kids C' means the PeachCare for All Kids health care insurance buy-in program created by subsection (e) of Code Section 49-5-273 for children in families with incomes at or below 200 percent of the federal poverty level.

49-5-273.

(a) There is created the PeachCare for All Kids health care insurance plan to provide health care insurance for Georgia children.

(b) Children who meet the following criteria shall be eligible for PeachCare for All Kids which shall be administered by the department:

(1) Children from birth through 18 years of age, except that individuals through age 21 may be eligible for PeachCare for All Kids A; and

(2) For PeachCare for All Kids B and PeachCare for All Kids C, children who are residents of the State of Georgia and citizens of the United States of America or who are immigrants in categories eligible for coverage as of January 1, 2007, under Title XIX or Title XXI of the federal Social Security Act.

(c)(1) There is created PeachCare for All Kids A which shall be available to individuals through age 21 who are ineligible for PeachCare for All Kids B or PeachCare for All Kids C. It shall offer substantially the same health care services and coverage available to children under PeachCare for All Kids B.

(2) Families may buy into PeachCare for All Kids A at a group rate to be determined by the department. Coverage under PeachCare for All Kids A shall not be subsidized by the state unless funds are specifically appropriated for this purpose.

(3) The department may set reasonable copayment requirements for participants for services provided under PeachCare for All Kids A, provided that copayments are not charged for preventive services as defined by the department.

(d)(1) There is created PeachCare for All Kids B. To the extent permitted by federal law and to the extent federal matching funds are available, the department shall set income disregards for this plan so as to cover children in families with incomes above the limit for PeachCare C, but below 400 percent of the federal poverty level. PeachCare for All Kids B shall offer substantially the same health care services and coverage available to children under PeachCare for All Kids C, except that it shall not cover nonemergency transportation.

(2) The department may require premiums for participation in PeachCare for All Kids B, as follows:

1 (A) For participants with family income at or between 200 percent and 250 percent of  
2 the federal poverty level, a maximum of \$30.00 per month per child up to a total family  
3 maximum of \$60.00; and

4 (B) For participants with family income above 250 percent of the federal poverty level,  
5 a sliding scale of premiums as determined by the department based on ability to pay.

6 (3) The department may set reasonable copayment requirements for participants for  
7 services provided under PeachCare for All Kids B, provided that copayments are not  
8 charged for preventive services as defined by the department.

9 (4) To be eligible to enroll in PeachCare for All Kids B, a child may not have been  
10 covered by health insurance for the previous three months unless the child is less than  
11 three months of age, the child's parent has been involuntarily separated from his or her  
12 employment or no longer qualifies for health benefits, his or her employer has  
13 discontinued health insurance coverage as an employee benefit, or there is other good  
14 cause as defined by the department including, but not limited to, good cause related to a  
15 child's special health needs. A family shall not be required to exhaust COBRA  
16 continuation benefits prior to receiving benefits under this plan. A child who loses  
17 financial eligibility for PeachCare for All Kids C shall not be required to exhaust a  
18 waiting period to enter PeachCare for All Kids B.

19 (e) There is created PeachCare for All Kids C which shall be operated by the department  
20 consistent with Article 7 of Chapter 4 of this title. No premiums shall be charged to  
21 participants under PeachCare for All Kids C. For children over age six with family  
22 incomes exceeding 150 percent of the federal poverty level, the department may require  
23 a copayment by the participant not to exceed \$2.00 per visit to a physician or dentist and  
24 50¢ per prescription filled; provided, however, that no copayment shall be charged for  
25 preventive services as defined by the department. A child shall not be denied service for  
26 inability to pay the copayment.

27 (f) The department shall submit amendments to its state plans under Title XIX and Title  
28 XXI of the Social Security Act consistent with the requirements of this article. The  
29 department shall submit claims to the federal government in such a manner as to maximize  
30 the amount of federal matching funds received under Title XXI of the Social Security Act.

31 (g) The department, through the Department of Administrative Services or any other  
32 appropriate entity, may contract for any or all of the following services: collection of  
33 premiums, processing of applications, outreach, data services, and evaluation, if such  
34 contracting achieves administrative or service cost efficiency. The department, and other  
35 state agencies as appropriate, shall provide necessary information to any entity engaged in  
36 the administration of the PeachCare for All Kids plan.

(h) Any health care provider who is enrolled in the Medicaid program shall be deemed to be enrolled in PeachCare for All Kids.

(i) Nothing in this article shall be interpreted in a manner so as to preclude the department from contracting with licensed health maintenance organizations or provider sponsored health care corporations for coverage of program services and eligible children. The department may require enrollment in a health maintenance organization or provider sponsored health care corporation as a condition of receiving coverage under the program.

(j) The department shall facilitate premium payment by adopting procedures and policies that enable payroll deduction, payment in cash in local offices and retail establishments, and such other means as may prove effective in maintaining coverage for children under PeachCare for All Kids.

(k) The department shall implement and maintain an effective outreach campaign designed to inform all Georgia families of the PeachCare for All Kids program and to provide each the opportunity to enroll.

(l) The department shall adopt policies and procedures that eliminate unnecessary administrative barriers to enrollment.

(m) The department shall conduct a study to determine the provider payment rates that would be sufficient to ensure adequate access to all covered services for children eligible for PeachCare for All Kids. The study report shall include recommendations on provider payment rate changes. The department shall publish its report no later than December 1, 2008.

(n) The department shall publish an annual report, copies of which shall be provided to the Governor and the General Assembly, setting forth the number of participants in the program, the health care services provided, the amounts of money paid to providers, and other pertinent information with respect to the administration of the program.

(o) The department shall promulgate rules and regulations to effectuate this article."

## **SECTION 2.**

This Act shall become effective on January 1, 2008.

## **SECTION 3.**

All laws and parts of laws in conflict with this Act are repealed.